

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass and Rescind the Subsequent Referral to the Committee on Ways and Means
Vote:	4 - 0 - 1
Yeas:	Knopp, Kruse, Steiner Hayward, Monnes Anderson
Nays:	0
Exc.:	Shields
Prepared By:	Sandy Thiele-Cirka, Administrator
Meeting Dates:	3/18, 4/1

WHAT THE MEASURE DOES: Requires Oregon Health Authority request specific information from potential contractors and, if certain conditions are met, to request proposals to establish and operate systems and technologies designed to detect and prevent improper payments in state medical assistance program. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Potential savings for Oregon
- Effects of Washington measure
- Pay and chase model
- Prompt pay to providers and one-time registration
- Fiscal impact of implementation
- Other states with similar bills

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: In 2011, the Centers for Medicare & Medicaid Services (CMS) implemented the Fraud Prevention Initiative, a tool to fight fraud and protect taxpayer dollars. The federal government estimates that state Medicaid programs attribute \$18 billion annually to fraud. Currently, the Medicaid practice is to pay claims as they are presented and attempt to recover overpayments or fraud later; this is referred to as “pay and chase” model. Proponents assert that it is more difficult to recover dollars than it is to deny initial payment claims.

Currently, 17 states have introduced legislation with the intent to incorporate the latest technologies in preventing fraud and abuse before it occurs, which has the potential to save states money. Senate Bill 753 is one such measure.

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This summary has not been adopted or officially endorsed by action of the committee.